SCOTTISH POLICE
AUTHORITY

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Agenda Item 5

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Meeting	Audit, Risk and Assurance Committee
Date	6 May 2020
Location	Teleconference
Title of Paper	Management Progress on Internal Audit Actions
Presented By	Gary Devlin, Partner, Scott-Moncrieff
Recommendation to Members	For Discussion
Appendix Attached	Internal Audit Follow Up Report

PURPOSE

This paper summarises management progress in completing management actions arising from internal audit reports.

The paper is presented in line with the Scottish Police Authority Internal Audit contract.

The paper is submitted for discussion.

1. BACKGROUND

1.1 A follow up tracker is maintained by Police Scotland (PS) to record updates on the progress made by management across PS to implement actions from previous internal audits. We have agreed with Police Scotland that they will make the tracker available to Internal Audit on a quarterly basis for review. We also liaise with SPA staff to obtain updates in relation to SPA-specific actions.

2. FURTHER DETAIL ON THE REPORT TOPIC

2.1 We note that 37 of 53 actions (70%) have been carried forward to the next quarter, 33 of which have passed their original timescale for completion as at the time of our follow up. Updates and revised due dates have been provided by management. For those actions that are past their expected completion date, we confirmed that management has made reasonable progress, though completion of a number of actions has been impacted by COVID-19. We were able to validate the closure of 16 actions, 8 of which are higher risk (Grade 3 or 4).

2.2 The total number of open actions has decreased this quarter from 53 to 37. The total actions that are past their original due date increased from 17 to 33, however we understand that 11 of these are substantially completed but could not be finalised as a consequence of the suspension of business as usual due to COVID-19. These include a number of significantly aged items, some of which are higher risk, including eight outstanding from 2016/17 (one grade 4) and two from 2017/18. Management should remain focused on clearing these aged actions as a priority.

3. FINANCIAL IMPLICATIONS

3.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

4. PERSONNEL IMPLICATIONS

4.1 The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members

should consider this section when considering the overall implications of our findings.

5.   LEGAL IMPLICATIONS

5.1   The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

6.   REPUTATIONAL IMPLICATIONS

6.1   The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

7.   SOCIAL IMPLICATIONS

The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

8.   COMMUNITY IMPACT

8.1   The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

9.   EQUALITIES IMPLICATIONS

9.1   The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members should consider this section when considering the overall implications of our findings.

10.   ENVIRONMENT IMPLICATIONS

10.1   The Internal Audit Report considers the impact our review findings may have on organisational risk registers. Committee members

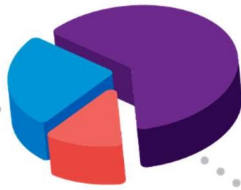should consider this section when considering the overall implications of our findings.

RECOMMENDATIONS
Members are requested to discuss the report.

Scottish Police Authority

Internal Audit Report

**Management Action
Follow up – Q4 2019/20**

April 2020

Scottish Police Authority

Internal Audit Report

Follow-up – Q4 2019/20

Introduction and background

Introduction

As part of the Internal Audit programme we complete a follow up review every quarter to provide the Audit & Risk Committee with assurance that actions agreed in previous Internal Audit reports have been implemented sufficiently.

This report encapsulates the progress made by management in implementing the agreed management actions during Q4 2019/20.

Scope

A follow up tracker is maintained by Police Scotland (PS) to record updates on the progress made by management across PS to implement actions from previous internal audits. We have agreed with Police Scotland that they will make the tracker available to Internal Audit on a quarterly basis for review. We also liaise with SPA staff to obtain updates in relation to SPA-specific actions.

For recommendations graded priority 3 or above, we requested evidence to validate completion of any actions marked for closure by management.

Audit Committee action

The Audit and Risk Committee is asked to note the progress made and the revised due dates for overdue actions as detailed within Appendix 2.

Acknowledgements

We would like to thank all staff who provided updates for their assistance and co-operation.

Summary of progress

The table below sets out the movement in actions included on the Audit Recommendation Tracker including any outstanding actions brought forward from the previous review in January 2020:

	Number of Actions
Open actions brought forward from January 2020	41
New actions added to tracker	12
Total actions to follow-up	**53**
Actions closed to April 2020	16
Open actions carried forward	**37**

Status of Actions as at April 2020

- ■ Complete
- ■ No Longer Applicable
- ■ In Progess
- ■ Not yet due

We confirmed that management have made reasonable progress with their actions and we have been able to validate the closure of 16 actions (30%), 8 of which are higher risk (Grade 3 or 4). Of the 37 remaining actions, 31 have passed their original due date and we have obtained revised due dates and updates from management for each of these.

Due to the ongoing COVID 19 pandemic Police Scotland have reprioritised staff and resources on critical activities, which has had a knock-on impact on the organisation's ability to fully complete some outstanding actions. This is reflected in the volume of actions that are in progress. In particular, we noted 11 actions that could not be finalised as a consequence of the suspension of a number of business as usual activities, and a further 12 that relate to projects or workstreams which have been paused or delayed as a consequence of COVID-19 response.

Due to the unpredictable nature of the current situation management have not, in all cases, been able to provide reliable revised due dates. Where this is the case we have recorded a revised due date of the end of Q1 2020/21 and will revisit these due dates in our next follow up. Management updates for all overdue actions are included within Appendix 2.

A summary of the status of all actions by report is shown at Appendix 1.

Total outstanding actions

The following graph illustrates management's progress in implementing recommendations since January 2017. The "total" line shows total outstanding audit actions, while the "past due" line shows the number of actions past their original due date.

The total number of outstanding audit actions has decreased slightly from 41 to 37. The number of actions past their due date has increased from 17 to 31, however as noted previously this is partially due to the suspension of some business usual activity in response to COVID-19. Overall both the total number of actions and the number of actions past due both remain at relatively low levels compared with prior years.
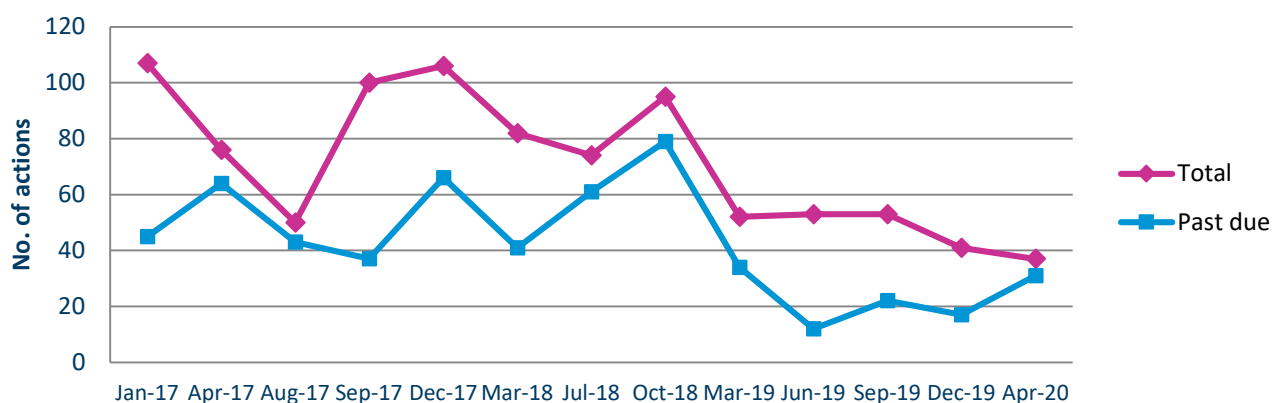
Status by Grading

Until 2017/18, we categorised our recommendations using a sliding scale, as outlined below.

Priority	Definition
Grade 5	Very high risk exposure - Major concerns requiring immediate Board attention.
Grade 4	High risk exposure - Absence / failure of significant key controls.
Grade 3	Moderate risk exposure - Not all key control procedures are working effectively.
Grade 2	Limited risk exposure - Minor control procedures are not in place / not working effectively.
Grade 1	Efficiency / housekeeping point.

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From 2017/18, our categorisations changed as follows.

| 4 | • Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation. |

| 3 | • High risk exposure - absence / failure of key controls that create significant risks within the organisation. |

| 2 | • Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation. |

| 1 | • Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues. |

Pre 2017/18 actions

2017/18 onwards

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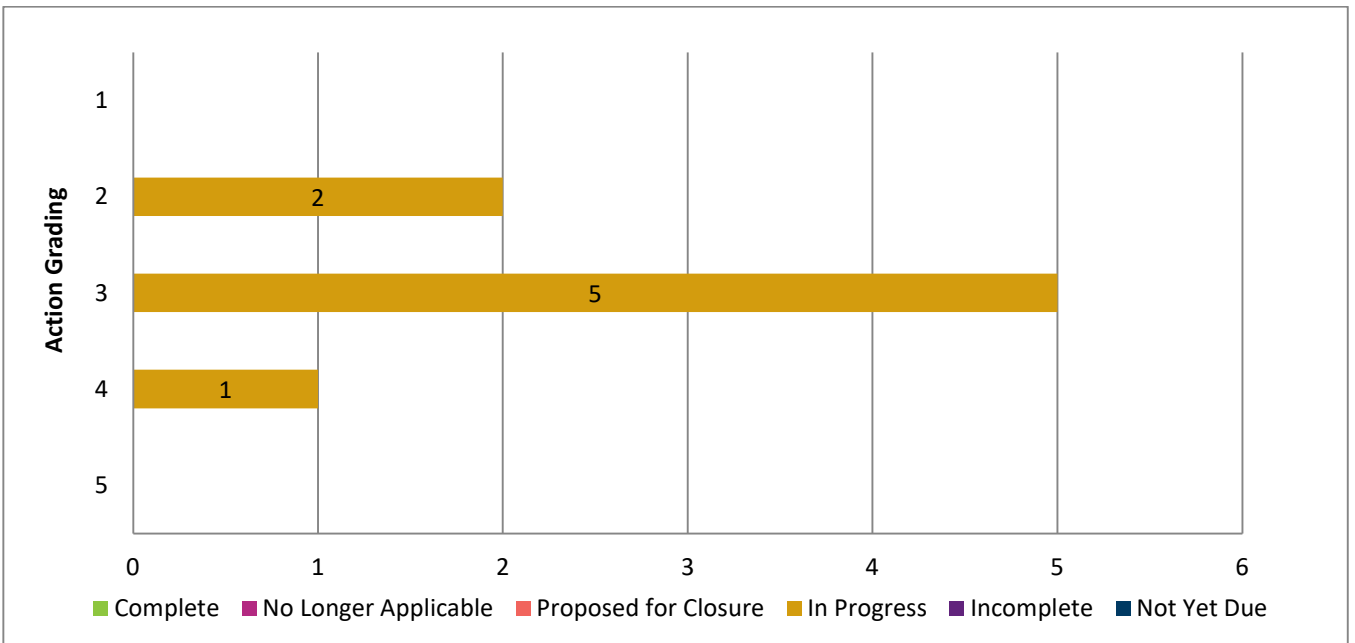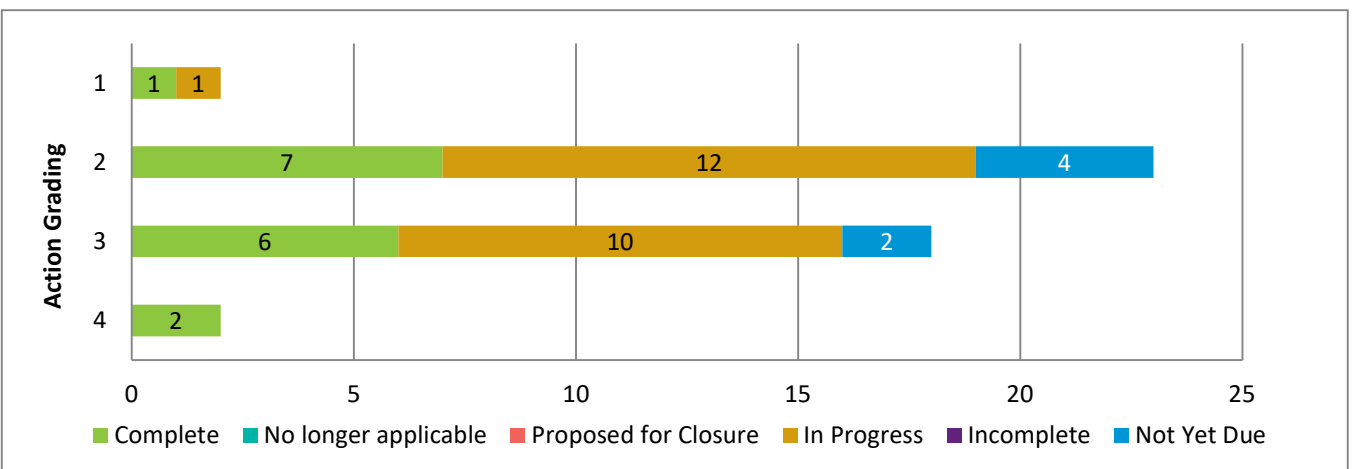
Age and grade of open actions

The chart below shows the number and grade of open actions categorised by the year in which the actions were raised:
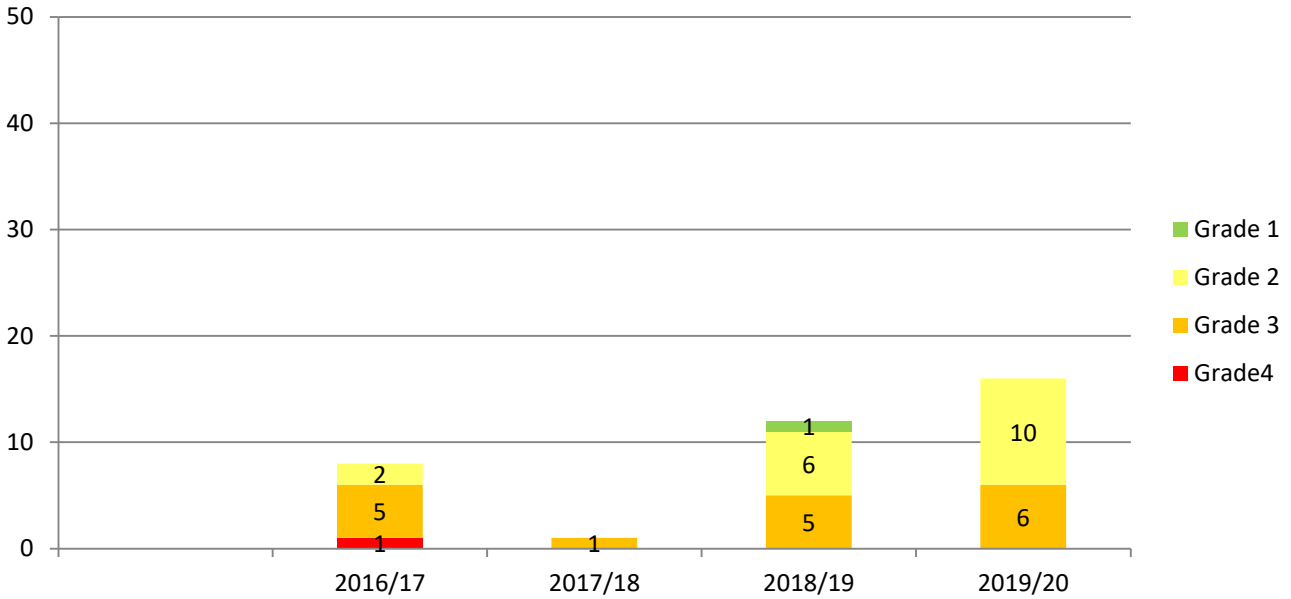
Movement in Audit Actions

The graph below prioritises the outstanding actions by grade, as reported in our follow up reports since August 2017.
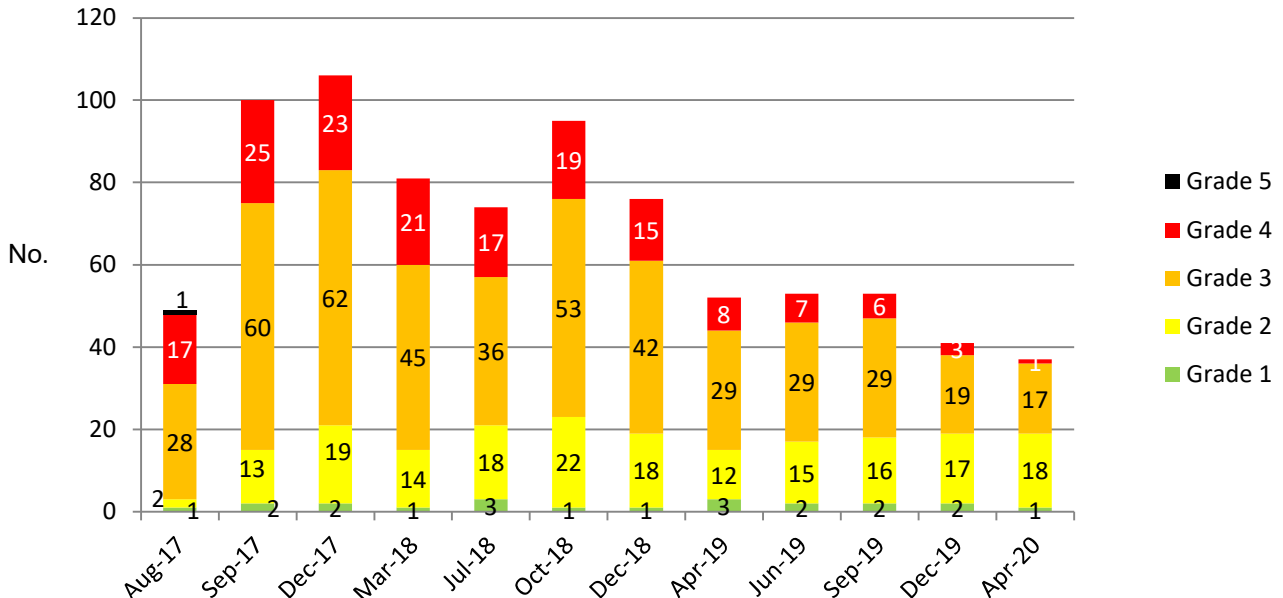
Appendix 2 sets out the current status of those actions classed as "in progress", based on updates provided by management.

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Appendix 1: Action status by report

Report title	Date of Issue	Audit Sponsor	Total Report Actions	Actions completed in previous Qtrs.	Open in Qtr. 4	Complete or No longer applicable	Outstanding Actions Breakdown			
							In progress	Incomplete	Not yet due	Proposed for closure
ICT Service Delivery	Jun 17	Director of IT	15	14	1	-	1	-	-	-
Non-Pay Expenditure	Aug 17	Chief Financial Officer	9	2	7	-	7	-	-	-
2016-17 Sub-total			24	16	8	-	8	-	-	-
HR Management System	Mar 18	Director of People & Development	6	5	1	1	-	-	-	-
Workforce Management	Jul 18	Director of People and Development	10	9	1	-	1	-	-	-
2017-18 Sub-total			16	14	2	1	1	-	-	-
Risk Management	Oct 18	ACC, Professionalism and Assurance, Interim Director, Improvement and Assurance	11	10	1	1	-	-	-	-
Staff Performance Management	Dec 18	ACC, Organisational Change and Resilience, Director of Forensics	5	-	5	-	5	-	-	-
Tendering Procedures	Mar-19	Chief Financial Officer	5	4	1	1	-	-	-	-
Information Management – Data Security	Feb-19	ACC, Professionalism and Assurance	6	2	4	1	3	-	-	-

Report title	Date of Issue	Audit Sponsor	Total Report Actions	Actions completed in previous Qtrs.	Open in Qtr. 4	Complete or No longer applicable	Outstanding Actions Breakdown			
							In progress	Incomplete	Not yet due	Proposed for closure
IT Application Review - SCoPE	Jan-19	Director of ICT / ACC Operational Change and Resilience	3	2	1	-	1	-	-	-
Financial Planning	Jun-19	Chief Financial Officer	4	2	2	-	2	-	-	-
SPA/PS/Forensic Services Joint Working	Jun-19	SPA CO, PS Deputy CO & Director of FS	3	2	1	-	1	-	-	-
2018-19 Sub-total			**37**	**22**	**15**	**3**	**12**	**-**	**-**	**-**
Stock Management	Jun-19	Chief Financial Officer	11	-	11	7	4	-	-	-
Transformation programme assurance processes	Jun-19	Deputy Chief Officer	6	4	2	1	1	-	-	-
IT Application Review – Efinancials and Asset 4000	Aug-19	Chief Financial Officer	9	-	9	2	5	-	2	-
Payroll	Dec-19	Chief Financial Officer	6	-	6	2	-	-	4	-
2019-20 Sub-total			**32**	**4**	**28**	**12**	**10**	**-**	**6**	**-**
TOTAL			**109**	**56**	**53**	**16**	**31**	**-**	**6**	**-**

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Appendix 2: Summary of actions past their due date

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
2016/17 Reviews							
ICT Service Delivery	1.1 Business Changes and Testing	ICT Director / Head of Service Mgt	4	Mar 18	Jul 20	Formal plan for testing approved December 2019.Competing demands for SCOPE, System testing originally scheduled for April 2020, however this work will be delayed until such time as the COVID-19 situation is resolved	In Progress
Non-pay expenditure	1.1 Consistent purchasing process	Head of Procurement	3	Sep 19	Jul 20	Recommendation will be implemented during the development of	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
						the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	
Non-pay expenditure	1.2 Purchasing policies, procedures and training	Head of Procurement	3	Sep 19	Jul 20	Recommendation will be implemented during the development of the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Non-pay expenditure	2.1 Staff roles and responsibilities	Head of Procurement	2	Sep 19	Jul 20	Recommendation will be implemented during the development of the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	In Progress
Non-pay expenditure	3.1 Purchase orders	Head of Procurement	3	Sep 19	Jul 20	Recommendation will be implemented during the development of the new P2P system. As a consequence of Covid-19, the initial	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
						rollout of the system has been paused until at least Q2 2020.	
Non-pay expenditure	4.1 Approved supplier listing	Head of Procurement	3	Sep 19	Jul 20	Recommendation will be implemented during the development of the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	In Progress
Non-pay expenditure	5.1 Procurement cards	Head of Procurement	2	Sep 19	Jul 20	Recommendation will be implemented during the development of	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
						the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	
Non-pay expenditure	6.1 Three-way matching	Head of Procurement	3	Sep 19	Jul 20	Recommendation will be implemented during the development of the new P2P system. As a consequence of Covid-19, the initial rollout of the system has been paused until at least Q2 2020.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
2017/18 Reviews							
Workforce Management	3.2 Monitoring of rostering requirements	Director of P&D	3	Jul 19	Nov 20	Revised arrangements for Resource Deployment are being progressed to a Full Business Case, which will encompass the recommendations within this action. The restructure has been placed on hold until after Operation Urram.	In Progress

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Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
2018/19 Reviews							
Staff Performance Management	1.1 PDC Completion - Police Scotland	Director of People and Development	3	Jun 19	Jul 20	Implementation of this action is linked to the launch of the replacement PDC process 'My Career'. Implementation is complete however the launch has been formally paused due to COVID-19.	In Progress
Staff Performance Management	1.2 PDC Completion - Forensic Services	Director of Forensic Services	2	Aug 19	Jul 20	Pending finalisation. Completion linked to the launch of 'My Career' which has been delayed due to COVID 19.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Staff Performance Management	1.3 PDC Training (Police Scotland and Forensics)	Director of People and Development	2	Jun 19	Jul 20	Pending finalisation. Completion linked to the launch of 'My Career' which has been delayed due to COVID 19.	In Progress
Staff Performance Management	1.4 Review of PDC Guidance (Police Scotland and Forensic Services)	Director of People and Development	1	Jun 19	Jul 20	Pending finalisation. Completion linked to the launch of 'My Career' which has been delayed due to COVID 19.	In Progress
Staff Performance Management	2.1 SMART Priority Linked Objectives (Police Scotland and Forensics)	Director of Forensic Services	2	Jun 19	Jul 20	Pending finalisation. Completion linked to the launch of 'My Career' which has been delayed due to COVID 19	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Information Management - Data Security Management	1.1 Review Information Security Framework	ACC Professionalism and Assurance	2	Nov 19	Jul 20	To be addressed through the completion of a review of the relevant SOP, which has been delayed due to COVID 19. Existing SOPs have been reviewed and are to be rationalised and consolidated into a revised SOP.	In Progress

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Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Information Management - Data Security Management	2.1 Information Asset Owners (IAOs)	ACC Professionalism and Assurance	2	Dec 19	Jul 20	An Information Asset Register has been compiled, and an IAO handbook is in draft. This is to be supported by the delivery of training, which is yet to be arranged.	In Progress
Information Management - Data Security Management	5.2 Government Security Classification (GSC)	ACC Professionalism and Assurance	3	Jul 19	Jul 20	Implementation of this action is linked to the SOP review which has been delayed due to COVID 19.	In Progress

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Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
IT Application audit - SCOPE	4.1 Business Continuity Planning / Disaster Recovery	Joe Carragher	2	Mar 20	Jul 20	System testing was originally scheduled for April 2020, however this work will be delayed until such time as the COVID-19 situation resolved. Given the need to have constant access to our HR / Duty Management systems, testing might risk causing and interruption to service.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Financial Planning	3.2 Long-term financial planning	SFP & Budgeting Lead	2	Dec 19	Dec 20	Revised date of completion has been set for December 2020, due to delays to the Scottish Government Budget as a result from the December General Election. Medium and long-Term Financial plans will follow later in the 2020 calendar year.	In progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Financial Planning	4.1 Development of benefit realisation plans	Director of Change	3	Oct 19	May 20	The Benefits Management Strategy is scheduled for the next PMG on 22/04/20, following approval it will proceed to Change Board on 05/05/20. May be impacted by COVID 19 as Primary Boards are prioritising business critical decisions.	In progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
SPA/PS/Forensics Joint Working	2.1 Corporate Services Board	SPA CEO	3	Sep 19	Dec 20	The current organisational development (OD) work ongoing for the SPA Corporate function includes consideration of the options available for the delivery of corporate services currently provided by Police Scotland. The recommendation will be considered on completion of the OD work.	In Progress

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Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
2019/20 Reviews							
Stock Management	2.3 Reporting Controls	SPA Chief Financial Officer	3	Mar 20	May 20	Key performance metrics have been identified that the NDC and each satellite store against which performance will be monitored on a monthly basis. FS have identified both high value and critical consumables stock for maintaining service delivery which accounts for the majority of supplies, and these are monitored and reported on a weekly basis.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
						A Stock Management Group has been established with the aim of completing a revised SOP incorporating these processes by the end of April 2020, however approval may be delayed as a consequence of COVID-19.	

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Stock Management	3.1 Authority Structure	SPA Chief Financial Officer	3	Mar 20	Jun 20	(PS) Interim processes have been documented and communicated. (Forensics) Processes will be finalised and documented as part of the Stock Management SOP. (PS/Forensics) Authorities will be linked to the Scheme of Delegation due to go to SPA Board in June 2020.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Stock Management	5.1 Unusable Stock (Police Scotland)	SPA Chief Financial Officer	3	Mar 20	Jun 20	Criteria for disposal and interim processes have been defined for satellite stores, ICT, and Fleet stores. Authority to dispose will be linked to the Scheme of Delegation due to go to SPA Board in June 2020	In Progress
Stock Management	5.2 Records of Disposal (Forensics	SPA Chief Financial Officer	2	Mar 20	Jun 20	Documented specific arrangements and records to be kept for stock disposal will form part of the revised SOP.	In Progress

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
Transformation Assurance Programme	5.1 Agile Project Delivery	Head of Portfolio Assurance	2	Dec 19	May 20	Agile actioned as part of Portfolio Management Framework. The Benefits Management Strategy is scheduled for the next PMG on 22/04/20, following approval it will proceed to Change Board on 05/05/20.	In Progress

| General Computer Controls (eFinancials & Asset 4000) | 1.1 Roles and Responsibilities | Finance Business Intelligence Lead | 2 | Mar 20 | Apr 20 | The transition of the responsibility for the system administration for Asset 4000 has been completed, and the revised SyOps form has largely been progressed. Due to COVID-19 disruption and a need for precautionary self-isolation reducing the capacity of the systems administration team, the completion of the updated SyOps form has been delayed and will now be progressed by 30/04/2020. | In Progress |

Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
General Computer Controls (eFinancials & Asset 4000)	3.1 Creation of Roles	Finance Business Intelligence Lead	3	Mar 20	May 20	The user access matrix has been approved by the SMT, and roles have been created within the test system. Given the pressure on ICT as a result of COVID-19 it is anticipated that the implementation will take longer than would be the case in a BAU environment.	In Progress

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Report	Recommendation	Action Owner	Grade	Original timescale	Revised timescale	Update 2019/20 Q4 Follow Up	Status
General Computer Controls (eFinancials & Asset 4000)	3.2 Security operating procedures	Finance systems specialist	2	Jan 20	May 20	The new SyOPs form has now been published within Police Scotland. New users within e-financials will be using the new SyOPs form moving forward Completion of this action is linked to the rollout of dip sampling and User access reviews (see 3.4).	In Progress

| General Computer Controls (eFinancials & Asset 4000) | 3.4 User access reviews | Finance systems specialist | 2 | Mar 20 | May 20 | The transition of the responsibility for the system administration for Asset 4000 has been completed, and the drafting of an approach to dip sampling has largely been progressed. Due to COVID-19 disruption and a need for precautionary self-isolation reducing the capacity of the systems administration team, the completion of the proposed process has been delayed, and will now be progressed by 30/04/2020. | In Progress |

Appendix 3: Audit Risk Categorisations

Risk categorisation – Pre 2017/18

Priority	Definition
Grade 5	Very high risk exposure - Major concerns requiring immediate Board attention.
Grade 4	High risk exposure - Absence / failure of significant key controls.
Grade 3	Moderate risk exposure - Not all key control procedures are working effectively.
Grade 2	Limited risk exposure - Minor control procedures are not in place / not working effectively.
Grade 1	Efficiency / housekeeping point.

Risk categorisation – 2017/18 onwards

4	• Very high risk exposure - major concerns requiring immediate senior attention that create fundamental risks within the organisation.
3	• High risk exposure - absence / failure of key controls that create significant risks within the organisation.
2	• Moderate risk exposure - controls are not working effectively and efficiently and may create moderate risks within the organisation.
1	• Limited risk exposure - controls are working effectively, but could be strengthened to prevent the creation of minor risks or address general house-keeping issues.